

SECTION 9 USE OF INFORMATION

9.1. The exchange and use of all Background Information and all Foreground Information under this PA will be in accordance with Article 8 (Exchange and use of information) of the Agreement. The Participants have mutually determined that implementation of this PA does not require the release of any privately owned information "for information purposes" by either Participant and accordingly no privately owned information will be released by either of the Participants to the other Participant under Article 9 paragraph 5 of the Agreement.

9.2. However, unless the providing Participant otherwise determines, where the use of Background Information is necessary to enable the use of Foreground Information such Background Information may be used for Defense Purposes.

9.3. The disclosure and use of Background Information and Foreground Information containing Background Information may be subject to further restrictions by the holders of intellectual property rights in that information. Before a Participant transfers such information to a contractor or Contractor Support Personnel, the Participant will ensure that its contractor and Contractor Support Personnel have entered into all necessary and appropriate arrangements (such as, but not limited to, non-disclosure agreements) directly with the entity that owns such information or otherwise holds intellectual property rights in such information.

9.4. Any disclosure or transfer of Foreground or Background Information to contractors will be consistent with the Participants' respective export-control laws and regulations.

SECTION 10 SPECIAL ARRANGEMENTS

The assignment of U.S., DOD CPP is planned to enhance teamwork and to meet the objectives of this PA. The duties and responsibilities of this CPP will be defined in the Project plan and the assignment will be in accordance with ANNEX A (Cooperative Project Personnel).

SECTION 11 PROJECT EQUIPMENT

11.1. Project Equipment to be transferred will be documented in a list to this PA in the format provided in ANNEX B to this PA. The list will be prepared and maintained by the PDs as updates to ANNEX B of this PA prior to the transfer of any Project Equipment.

11.2. For the purposes of this PA, Project Equipment transferred under this PA may, with the written permission of the providing Participant, be subject to technical upgrades by the receiving Participant during the period of the transfer.

11.3. Project Equipment will remain the property of the providing Participant. The receiving Participant will maintain any such Project Equipment in good order, repair, and operable condition and return the items in as good condition as received, normal wear and tear excepted, unless the providing Participant has consented in writing, before transfer, that the Project Equipment may be expended or otherwise consumed in connection with this PA without reimbursement to the providing Participant. The receiving Participant will pay to the providing Participant the replacement value, as computed pursuant to the providing Participant's national laws, regulations and procedures, of any returnable Project Equipment that is lost or destroyed beyond economical repair.

11.4. All Project Equipment that is transferred will be used by the receiving Participant only for the purposes of carrying out the activities under this PA. In addition, in accordance with Article 12 (Third party sales and transfers) of the Agreement, Project Equipment will not be re-transferred to a Third Party without the prior written consent of the providing Participant.

11.5. The providing Participant will deliver Project Equipment to the receiving Participant at a mutually determined location. Possession of and responsibility for the Project Equipment will pass from the providing Participant at the time of receipt of the Project Equipment. Any further transportation is the responsibility of the receiving Participant.

11.6. The providing Participant will furnish the receiving Participant such information as is necessary to enable the Project Equipment to be used. If the Participants mutually determine that specific training is required for use of the

Project Equipment, they will mutually determine the conditions for the provision of such training.

11.7. Unless otherwise mutually determined by the Participants, Project Equipment transferred to one Participant under this PA will be returned to the providing Participant prior to the termination or expiration of this PA. The receiving Participant will return the Project Equipment at its expense to the providing Participant at a mutually determined location. Possession of and responsibility for the Project Equipment will pass from the receiving Participant to the providing Participant at the time of receipt of the Project Equipment. Any further transportation is the responsibility of the providing Participant.

11.8. The Participants will ensure by all reasonable means the protection of intellectual property rights in Project Equipment.

11.9. Project Equipment that is jointly acquired is subject to the following provisions unless otherwise mutually determined by the Participants:

11.9.1. Any Project Equipment which is jointly acquired on behalf of both Participants for use under this PA will be disposed of before this PA ceases, as mutually determined by the Participants.

11.9.2. Jointly acquired Project Equipment will remain the property of both Participants in the same ratio as they share the Financial Costs under this PA.

11.9.3. The Participant who has custody of the jointly acquired Project Equipment will maintain such jointly acquired Project Equipment in good order, repair and operable condition, normal wear and tear excepted.

11.9.4. If jointly acquired Project Equipment is damaged or lost while in the custody of a Participant, the provisions of paragraph 11.3 will apply.

11.9.5. Where a person or entity, other than the Participants, damages jointly acquired

Project Equipment, and the cost of making good such damage to the Project Equipment is not recoverable from such person or entity, the Participants will share such costs in ratios as mutually determined by the Participants.

- 11.9.6. Disposal of jointly acquired Project Equipment may include a transfer of the interest of one Participant in the Project Equipment to the other Participant, or the sale or transfer of such Project Equipment to a Third Party in accordance with Article 12 (Third party sales and transfers) of the Agreement. The Participants will share the consideration from jointly acquired Project Equipment transferred or sold in the same ratio as their Financial Costs are shared under this PA unless otherwise mutually determined by the Participants.

SECTION 12 PROJECT DIRECTORS

12.1. The following (or equivalent in the event of reorganization) are designated as the AUSPAR SC Representatives:

- 12.1.1. U.S. DOD Co-Chair
MPM, Above Water Sensors
Program Executive Office
Integrated Warfare Systems (PEO IWS 2)
1333 Isaac Hull Avenue
South East Stop 2318
Washington Naval Yard
Washington DC 20376 - 2318
- 12.1.2. Australian DOD Co-Chair
Director General
Electronic Warfare Branch
R2-6-A081
Russell Offices
Canberra, ACT 2600

12.2. The following (or equivalent in the event of reorganization) are designated as PDs, or their designated deputies:

- 12.2.1. U.S. DOD PD
Director, Above Water Sensors
Program Executive Office,
Integrated Warfare Systems (PEO IWS 2DEP)
1333 Isaac Hull Avenue,
South East Stop 2318,
Washington Navy Yard,
Washington DC 20376-2318
- 12.2.2. Australian DOD PD
Director, Maritime EW Systems
Electronic Warfare Branch
R2-6-A028
Department of Defence
Russell Offices
Canberra, ACT 2600

12.3. Project reviews will be conducted by the AUSPAR SC on an annual basis or as mutually determined, and by the PDs or designated deputies at least twice a year or as mutually determined.

SECTION 13 CLASSIFICATION

13.1. The highest level of classified information which may be exchanged under this PA is Secret. The PDs will prepare a Project Security Instruction and a Classification Guide within three months of PA signature for AUSPAR SC approval.

13.2. The existence of this PA is unclassified and the contents are unclassified.

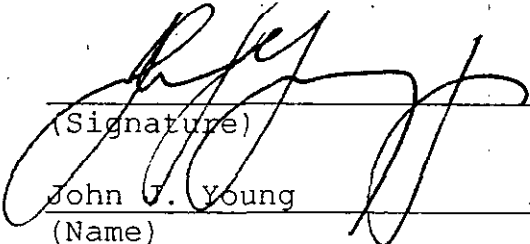
SECTION 14 TERMINATION

14.1. This PA may be terminated at any time by written mutual determination of the Participants. Alternatively it may be terminated by either Participant giving the other written notice of its intention to terminate it, in which case it will terminate 90 days after the giving of such notice.

14.2. If the Agreement is terminated prior to the expiration or termination of this PA, the provisions of the Agreement will continue to apply in respect to this PA until such time as this PA expires or is terminated.

14.3. This PA will come into effect on signature by both Participants and will remain in effect for seven years unless earlier terminated. This PA may be extended by written mutual determination.

FOR THE UNITED STATES
DEPARTMENT OF DEFENSE:


(Signature)

John F. Young

(Name)

Assistant Secretary of the Navy
(Research, Development, and
Acquisition)

(Title)

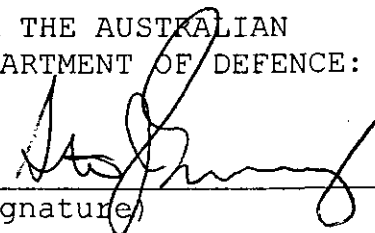
11 APRIL 2005

(Date)

Washington, D.C.

(Location)

FOR THE AUSTRALIAN
DEPARTMENT OF DEFENCE:


(Signature)

STEPHEN J GUMLEY

(Name)

CHIEF EXECUTIVE OFFICER
DEFENCE MATERIEL ORGANISATION.

(Title)

21st April 2005

(Date)

CANBERRA AUSTRALIA.

(Location)

ANNEX A

COOPERATIVE PROJECT PERSONNEL

1.0. Purpose and Scope.

1.1. This Annex establishes the provisions for the conduct of Cooperative Project Personnel. Either Participant may assign military members or civilian employees to the other Participant's facilities (both military and contractor) in accordance with SECTION 10 (SPECIAL ARRANGEMENTS) of the PA and this Annex. Cooperative Project Personnel will be able to perform all the responsibilities for the positions assigned to them under this PA. Commencement of assignments will be subject to any requirements that may be imposed by either Participant regarding acceptance of Cooperative Project Personnel, such as, but not limited to, visas and visit request documentation. The U.S. DOD and Australian DOD AUSPAR SC representatives will mutually determine the length of tour for the positions at the time of initial assignment.

1.2. Cooperative Project Personnel will be assigned to the other Participant's Project Office, field activity, or contractor facility for Project work and will report to their designated supervisor within those organizations regarding that work. Cooperative Project Personnel will not act as liaison officers for their parent Participant. However, such personnel may act from time to time on behalf of their AUSPAR SC representative if the latter so authorizes in writing.

1.3. Cooperative Project Personnel will not be assigned to command or other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the host Participant.

2.0. Security.

2.1. The U.S. DOD and Australian DOD AUSPAR SC representatives will establish the maximum level of security clearance required to permit Cooperative Project Personnel to have access to Classified Information and facilities in which Classified Information is used in accordance with the PA and the Agreement. Access to Classified Information and facilities in which Classified Information is used will be consistent with, and limited by, SECTION 3 (OBJECTIVE) and SECTION 4 (TECHNICAL

SCOPE) of this PA and the corresponding provisions of this Annex, and will be kept to the minimum required to accomplish the work assignments.

2.2. The Participants will cause security assurances to be filed, through their respective embassies, specifying the security clearances for the Cooperative Project Personnel being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established host Participant procedures.

2.3. The Participants will use their best efforts to ensure that both U.S. DOD and Australian DOD personnel assigned to the Project Office or field activities are aware of, and comply with, applicable laws and regulations pertaining to Controlled Unclassified Information and Classified Information as well as the requirements of SECTION 8 (USE OF INFORMATION) of this PA, the applicable provisions of the Agreement, and the corresponding provisions of this Annex.

2.4. Cooperative Project Personnel will at all times be required to comply with the security laws, regulations, and procedures of the host Participant, as briefed in accordance with paragraph 3.2 of this Annex. Any violation of security procedures by Cooperative Project Personnel during their assignment will be reported to their parent Participant for appropriate action. Cooperative Project Personnel committing willful violations of security laws, regulations, or procedures during their assignments will be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by their parent Participant.

2.5. All Classified Information made available to Cooperative Project Personnel will be considered as Classified Information furnished to the U.S. DOD or Australian DOD and will be subject to all of the provisions and safeguards provided for in this PA, this Annex, and the Agreement.

2.6. Cooperative Project Personnel will not have personal custody of Classified Information or Controlled Unclassified Information, unless approved by the host Participant PO and as authorized by the parent Participant on a case-by-case basis. They will be granted access to such information during normal duty hours when access is necessary to perform Project work.

2.7. Cooperative Project Personnel will not serve as a conduit between the U.S. DOD and Australian DOD for requests for

and/or transmission of Classified Information or Controlled Unclassified Information unless specifically authorized by the PO's.

3.0. Administrative Matters.

3.1. Consistent with host Participant's laws and regulations, Cooperative Project Personnel will be subject to the same restrictions, conditions, and privileges as host Participant personnel of comparable rank and in comparable assignments. Further, to the extent authorized by the host Participant's laws and regulations, Cooperative Project Personnel and their authorized dependents will be accorded:

- 3.1.1. Exemption from any host Participant tax upon income received from the parent Participant.
- 3.1.2. Exemption from any host Participant customs and import duties or similar charges levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles.

3.2. Upon or shortly after arrival, Cooperative Project Personnel will be informed by the Project Office or host Participant about applicable laws, regulations, policies and procedures and the need to comply with them. Cooperative Project Personnel will also be provided briefings arranged by the Project Office or host Participant regarding applicable entitlements, privileges, and obligations such as:

- 3.2.1. Any medical and dental care that may be provided to Cooperative Project Personnel and their dependents at the host Participant's medical facilities, subject to applicable laws and regulations, including reimbursement requirements.
 - 3.2.2. Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for Cooperative Project Personnel and their dependents, subject to applicable laws and regulations.
-
- 3.2.3. Responsibility of Cooperative Project Personnel and those dependents accompanying them to obtain motor vehicle liability insurance

coverage in accordance with laws and regulations applicable in the area where they are residing. In case of claims involving the use of private motor vehicles by Cooperative Project Personnel and their dependents, the recourse will be against such insurance.

3.3. The PO's will establish standard operating procedures for Cooperative Project Personnel in the following areas:

- 3.3.1. Working hours, including holiday schedules.
- 3.3.2. Leave authorization, consistent to the extent possible with the military or civilian personnel regulations and practices of both Participants.
- 3.3.3. Dress regulations, consistent to the extent possible with the military or civilian personnel regulations and practices of both Participants.
- 3.3.4. Performance evaluations, recognizing that such evaluations must be rendered in accordance with the providing Participant's military or civilian personnel regulations and practices.

3.4. Cooperative Project Personnel committing an offense under the laws of the government of either Participant may be withdrawn from this Project with a view toward further administrative or disciplinary action by the parent Participant. Disciplinary action, however, will not be taken by the host Participant against Cooperative Project Personnel, nor will Cooperative Project Personnel exercise disciplinary authority over host Participant personnel. In accordance with the host Participant's laws, regulations, policies and procedures, the host Participant will assist the parent Participant in carrying out investigations of offenses involving Cooperative Project Personnel.

ANNEX B

PROJECT EQUIPMENT

Project Equipment transferred from one Participant to the other Participant will be documented by the PDs in the following manner. This Annex will be updated and maintained by the PDs. Any transfer, upgrade, maintenance, handling, disposal, loss, damage, or other issues relating to Project Equipment will be in accordance with Section 11 (PROJECT EQUIPMENT) of this PA and Article 10 (Loan of materials, supplies, and equipment) of the Agreement.

Providing Participant	Receiving Participant	QTY	Description	Part/ Stock #	Consumables\ Non-Consumables	Approx Value	Loan Period